

Mr Shakeel Bhatti Secretary

International Treaty on Plant Genetic Resources for Food and Agriculture

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<u>Subject:</u> Notification NCP GB7-004 Working Group: Fifth Meeting of the *Ad Hoc* Open-Ended Working Group to Enhance the Functioning of the Multilateral System of Access and benefit-Sharing – Input from the European Seed Association regarding access mechanisms

Dear Mr Bhatti,

Dear Shakeel,

Following the notification dated February 15, 2016 and referred to in the subject of the present letter I would like to share with you hereby the input of ESA on the issue of access mechanisms.

I first would like to reiterate a number of principal considerations which ESA already submitted to the Treaty Secretariat in its <u>position</u> on April 10, 2015 and which ESA believes are key for a successful long-term funding of the Benefit Sharing Fund (BSF) of the Treaty.

The Working Group referred to in the subject of the present letter has two objectives: to increase user-based payments and contributions to the BSF in a sustainable and predictable long-term manner, and to enhance the functioning of the Multilateral System (MLS) by additional measures. ESA is of the opinion that achieving these objectives is interdependent and can only be addressed in a coherent manner.

It is important to remind that for achieving the aforementioned goal it is vital that Contracting Parties fulfil their obligation under the Treaty to bring their material under the MLS and that they agree on an extension of Annex I to all plant genetic resources used for research and breeding. Broadening the coverage of the MLS and increasing its potential value and attractiveness for breeders by making more material of more species available under the sMTA also has the potential to result in more access and thus an increasing benefit-sharing from users of PGRs.

It is also important to underline that all Parties and stakeholders should take their responsibility to contribute to a successful financing system. Contracting Parties need to acknowledge and take responsibility for the socio-economic benefit that access and use of PGRs brings across related economic sectors as well as for society as a whole and should therefore provide substantial and continuous financial commitment to the BSF.

With regard to the future access mechanisms for the MLS, ESA is of the opinion that these mechanisms should be based on the following principles:

- solidarity: creating mechanisms which are as inclusive as possible, avoiding freeriding to the extent possible;
- simplicity;
- minimum administrative burden (no excessive "track & trace" obligations);
- predictability: providing high legal certainty for users;
- proportionality: providing a level playing field within the industry to the extent possible;
- differentiated approach to material available without restrictions for further research and breeding and material that is not.

As already becoming clear from the above, ESA strongly believes that the only way to get increased user-based payments into the BSF in a sustainable and predictable long-term manner is to boost access to the MLS as much as possible which in return will yield income into the system. In other words, ESA is of the opinion that the future MLS must be flexible enough to attract the maximum amount of users and to offer them options to access the system via a mechanism that is attractive and takes account of their needs and use of PGRs.

For these reasons, ESA firmly believes that it is a multi-optional system that takes account of fundamental differences of crop species, their breeding and variety development, and their marketing and markets which is likely to be most in line with the economic realities and structural diversity of the plant breeding industry in Europe and worldwide. ESA is convinced that it is therefore also the approach that is most likely to increase the attractiveness of the MLS, increase the use of MLS material, and consequently increase monetary benefit-sharing to the BSF.

The multi-optional system should, in our view, include at least (i) a subscription option; (ii) an option of payment based on commercialization; and (iii) a fee per accession option from which users can choose. We believe that each option should be equally attractive in order to provide realistic and reasonable access routes to the system for users with different profiles and each option should be set with a careful balancing of rights and obligations.

Last, we noted that the notification mentioned in the subject of the present letter requested input on access mechanisms and payment rates. However, we believe that any discussion and/or speculation on payment rates only makes sense once clarity has been achieved on the access mechanisms via which the income to the BSF should flow.

We hope that you find the above elements useful for the further discussions of the Working Group and that the Working Group will take due consideration of them.

I remain at your disposal for any question you may have regarding the above.

Sincerely yours,

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Szonja Csörgő Director IP & Legal Affairs